



JOHN P. STEINBRINK

STATE REPRESENTATIVE ■ SIXTY-FIFTH ASSEMBLY DISTRICT

Chair Kerkman, Vice Chair Nass and members, thank you for today's hearing on AB 105. I especially want to thank Rep. Kerkman and my colleagues in the Kenosha delegation for putting this jobs bill for the vital stateline region forward.

AB 105 builds on work we started last session to further develop our growing strength in biotechnology and provides flexibility to accommodate other economic development opportunities at the gateway to Wisconsin.

I am happy to have Mike Pollocoff from the Village of Pleasant, where I also serve as Village President, and Todd Battle of the Kenosha Area Business Alliance here to discuss their plans and how this bill can help us meet economic development and job creation goals for our region and state.

Specifically, with the largest and most successful TIF District in the state, Pleasant Prairie has successfully attracted and retained major employers and corporate headquarters and developed new opportunities for growth in existing and emerging industries. That success has also produced significant value inside our TIF Districts at a time of national challenges in property values overall.

This legislation will allow Pleasant Prairie the flexibility to support the creation of an innovative biotech incubator and to build & maintain efforts to support quality employers located in and considering Southeast Wisconsin, both in the WISPARK area that helped lead our community and the state in growth coming out of the last major recession and other prime development locations at Wisconsin's doorstep.

I will turn it over to Mike and Todd to discuss many of the specifics of their plans and the flexibility this legislation would provide. But in short what we are asking for with this legislation is the ability to grow development activities in Pleasant Prairie TIDs beyond the current 12% limit on TID value in a community by modifying the calculation for the very successful TID number 2 to 1.33 times its original base value.

This step will allow the village and state to effectively work with employers, community leaders and others to successfully bring the biotech incubator plan to reality and allow for continued attraction of jobs and investment into Wisconsin.

I appreciate your time and consideration and with the committee's permission would like to turn it over to Mike & Todd and then we'll be happy to take any questions.



ROBERT W. WIRCH

STATE SENATOR TWENTY-SECOND DISTRICT

May 19, 2011

To: Assembly Committee on Ways and Means
Representative Samantha Kerkman, Chair

From: Senator Bob Wirsch

RE: AB 105

I would like to thank Chair Kerkman for holding a hearing on Assembly Bill 105 that will create an exception to certain requirements in the creation of or amendment to a tax incremental financing district in the village of Pleasant Prairie.

I would also like to commend Representative Steinbrink and Mike Pollocoff at the Village of Pleasant Prairie and Todd Battle with the Kenosha Area Business Alliance (KABA) for putting together a solid plan for economic development in the 22nd Senate district.

In the 2009 budget, Representative Steinbrink and I put forward a plan to create a coalition between the state, the Village of Pleasant Prairie and KABA to build a business incubator that will provide office, lab, research and development space for aspiring entrepreneurs in the bio-medical and bio-technology fields.

By giving the Village the flexibility to adjust their TIF District through Assembly Bill 105, we will make this project a reality. The Incubator will jumpstart new job growth and the flexibility gained through AB 105 is sure to bring other opportunities to the area as well.

Again, I would like to thank the Committee for holding a hearing on this very important bill. Should you have any questions, please feel free to contact me.



Office of the Village Administrator
Michael R. Pollocoff

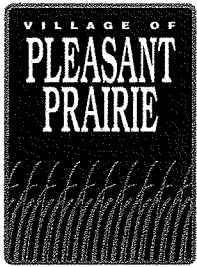
May 19, 2011

Honorable Samantha Kerkman, Chairperson
Assembly Committee on Ways and Means
Wisconsin State Assembly

On behalf of the Village of Pleasant Prairie, I wish to thank Chairperson Kerkman, Vice Chair Nass, and members of the Assembly Committee on Ways and Means for your consideration of AB 105. Since 1990 the use of tax increment financing by the Village of Pleasant Prairie, in cooperation with our economic development partners Kenosha Area Business Alliance (KABA) and WisPark, has created nearly one half billion dollars in tax base, nearly 7,500 new jobs, and made an additional 400 acres ready for immediate development. The Village's Community Development Authority judiciously used their eminent domain powers to remove two adult bookstores, salvage yards, semi-trailer storage yards, and numerous dilapidated properties' that plagued Wisconsin's gateway along I-94. Tax Increment District #2 has grown \$340,852,700 in value since 1999.

The Village has commitments to companies such as Uline to make additional improvements to create an additional \$40 million dollars in value and another 400 "good paying" jobs. The expansion of the Uline Corporate Campus necessitates a corresponding change in the TIF District boundaries in order to accommodate the Uline development. A second adjustment is needed to take advantage of a USDEA grant of \$3.5 million dollars for the construction of a Bio-Medical Innovation Center. The Innovation Center's goal is to take advantage of the extensive bio-science skills that exist in southeast Wisconsin and create an environment for new start-up companies to create higher technology enterprises and the careers associated with them. Similar innovation centers in San Jose, California and Fort Collins, Colorado have generated millions of dollars in new equity and hundreds of new jobs.

Currently the Village exceeds the "12% test" that regulates the expansion of TIF Districts. The necessity for AB105 arises from an unusual set of circumstances that have occurred in Pleasant Prairie as a result of the fluctuations in the economy. In 2009 the Village's residential tax base shrunk by 16% and the TIF District #2 value increased by 11%. The significant and sudden rise in value within TID #2, and the steep drop in residential values have created the imbalance in the formula for the 12% cap. The Village is requesting that the 12% test be replaced with a formula based upon 1.33 times of the base value. This adjustment would reduce the percent of total value to 2.74%. This would provide the Village with more room to respond to current and other adjustments that may present opportunities for economic development. The Village competes with northern Illinois for expansion of existing companies and relocation of new businesses. The ability of the Village to be nimble with the TIF District in addressing opportunities that present themselves is often the difference between winning a competition for economic development and losing it to another state.



Office of the Village Administrator
Michael R. Pollocoff

Finally, the Fiscal Estimate provided to the Committee indicates that information was not available to determine what the potential value increments would be in the TIF District upon amendment. The Village provides our conservative estimates of the values listed below:

| <u>Year</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| Increment | \$340,852,700 | \$336,914,300 | \$321,159,000 | \$325,521,500 | \$367,543,100 |
| Eff. Tax Rate | \$20.27 | \$20.91 | \$21.44 | \$21.03 | \$20.23 |
| Increment | \$6,908,885 | \$7,043,478 | \$6,884,569 | \$6,884,963 | \$7,436,557 |

Thank you in advance for your consideration. Please do not hesitate to contact me if you need additional information.

Michael R. Pollocoff
Village Administrator



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Area lawmakers team up to support Uline expansion

BY JON OLSON

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Area state lawmakers are teaming up to allow Pleasant Prairie to expand its funding authority to support Uline's planned one million-square-foot distribution center — the second on its campus — and a planned biomedical incubator.

A bill introduced in the state Assembly this week would allow Pleasant Prairie to create special tax districts that would provide \$5 million in infrastructure spending for the Uline project, and \$2 million for the Biomedical Innovation Center.

Dropping property values combined with the skyrocketing value of the Uline developments have increased the value of the village's tax-incremental financing districts to the state limit of 12 percent of the village's total assessed valuation. Village Administrator Michael Pollocoff said that although Uline hasn't given him a timeline for the construction of the new distribution center, the village needs to be ready.

A bill introduced by Kenosha County representatives Samantha Kerkman, John Steinbrink and Peter Barca and cosponsored by Sen. Bob Wirth, would allow Pleasant Prairie to exceed the 12 percent limit, making it able to borrow money and expand the Uline TIF district and create one for the biomedical center.

Kerkman and Pollocoff said TIF restrictions frequently have been waived in a variety of special circumstances.

Pollocoff said the village annexed property from Bristol for the planned Uline center and planned to use some of the TIF financing to re-route a We Energies high-energy power line that bisected the property — a \$3.5 million project. When Bristol objected, Uline bought another parcel next to the first and now plans to build there. That property is lower and needs more infrastructure work, Pollocoff said, and will eat the savings of not having to move the power line.

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